

HALIFAX

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Item No. 15.1.9
Halifax Regional Council
August 23, 2022

TO: Mayor Savage and Members of Halifax Regional Council

Original Signed by 

SUBMITTED BY: _____
Jacques Dubé, Chief Administrative Officer

DATE: August 3, 2022

SUBJECT: **Award – Request for Quotation 22-385, Supply, Collection
and Transportation of Source Separated Materials**

ORIGIN

This report originates with the requirement to supply, collect and transport source separated materials from Municipal facilities. This falls under the 2022-23 and future years' budgets of Facility Maintenance & Operations, Finance & Asset Management, Fire & Emergency, Fiscal Services, Halifax Transit, Library, Parks & Recreation and Public Works.

LEGISLATIVE AUTHORITY

The Municipality may spend money for municipal purposes in accordance with section 79A of the *Halifax Regional Municipality Charter*.

The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, the *Procurement Policy*. Section 28 of the *Procurement Policy* provides that Halifax Regional Council may approve contract awards of any amount.

RECOMMENDATION

It is recommended that Halifax Regional Council award RFQ 22-385, Supply, Collection and Transportation of Source Separated Materials to Royal Environmental Inc. for a five-year total cost of \$2,264,169, net HST included.

BACKGROUND

RFQ 22-385, Supply, Collection and Transportation of Source Separated Materials is for a five-year period September 1, 2022 to August 31, 2027.

Halifax Regional Municipality By-Law S-600 requires all residential, industrial, commercial and institutional (ICI) properties to separate recyclable and compostable materials for placement into designated commercial containers.

The standard requirement for the provision of service is to include supply of commercial containers for the following streams:

- 1) Refuse
- 2) Blue Bag Recyclables
- 3) Organics Materials
- 4) Corrugated Cardboard
- 5) Construction and Demolition Materials
- 6) Paper

Halifax Regional Municipality (HRM) is responsible for the supply of containers for source separated materials and for the collection and transportation of source separated materials from HRM facilities.

DISCUSSION

The RFQ was called and posted to the Province of Nova Scotia's Procurement website on June 23, 2022 and closed on July 14, 2022.

Two compliant bids were received and evaluated based on price and social value.

Vendor	Total Five-Year Bid Price (net HST incl.)	Total Five-Year Bid Price Score (90% of Total Score)	Social Benefit Sustainability Score (10% of Total Score)	Total Score
Royal Environmental Inc.*	\$2,264,169	88.20	10	98.20
Miller Waste	\$2,219,828	90.00	7	97.00

* Recommended Bidder

The cost to provide the services outlined in the RFQ document has increased significantly recently. Examples of increased costs that directly impact the provision of these services include:

- The RFQ is subject to the Living Wage requirement.
- The fluctuating fuel costs which at the time of the RFQ posting was \$2.034 per litre.
- An increase in disposal fees at HRM recycling and compost facilities as of July 1, 2022. Disposal fees for recyclables increased from \$30 per tonne to \$45 per tonne. Disposal fees for organics increased from \$75 per tonne to \$90 per tonne.
- An increase in refuse disposal costs at the Otter Lake transfer station from \$111 per tonne to \$115 per tonne.
- Services changes to the contract include the addition of the collection of paper and cardboard at Municipal facilities in 2021. This was previously completed by Youth Live.

FINANCIAL IMPLICATIONS

Based on the **one-year fixed term bid price** of \$426,467, net HST included, funding is available in the following operation cost centres:

- Facility Maintenance & Operations cost centres W200 (\$264,348) & Z112 (\$8,545)
- Finance & Asset Management cost centre A334 (\$1,023)
- Fire & Emergency cost centres F135 (\$3,108) & F160 (\$2,911)
- Fiscal Services – Sackville Heights Community Centre cost centre C105 (\$4,291)
- Halifax Transit cost centres R680 (\$9,057), R681 (\$23,796), R682 (\$9,560) & R683 (\$10,630)
- Library cost centres B034 (\$19,636), B045 (\$8,273), B048 (\$2,965), B049 (\$8,134) & B054 (\$3,413)
- Parks & Recreation cost centres C764 (\$5,959), R850 (\$21,372), S233 (\$1,640), W181 (\$2,240) & W187 (\$7,819)
- Public Works cost centre R825 (\$7,746)

Funding for years two (2) to five (5) will be accommodated through future approved operating budgets. Budget availability has been confirmed by Finance.

Division	Cost Centre	Total 5-Year Cost net HST incl.
Facility Maintenance & Operations	W200	\$1,403,453
Facility Maintenance & Operations	Z112	\$45,369
Finance & Asset Management	A334	\$5,431
Fire & Emergency	F135	\$16,503
Fire & Emergency	F160	\$15,456
Fiscal Services (Sackville Heights Community Centre)	C105	\$22,782
Halifax Transit	R680	\$48,085
Halifax Transit	R681	\$126,336
Halifax Transit	R682	\$50,754
Halifax Transit	R683	\$56,438
Library	B034	\$104,249
Library	B045	\$43,924
Library	B048	\$15,744
Library	B049	\$43,183
Library	B054	\$18,120
Parks & Recreation	C764	\$31,640
Parks & Recreation	R850	\$113,465
Parks & Recreation	S233	\$8,708
Parks & Recreation	W181	\$11,894
Parks & Recreation	W187	\$41,513
Public Works	R825	\$41,123
TOTAL		\$2,264,169

The current RFQ term began on September 1, 2017. The Total Five-Year current cost is \$1,308,629, net HST included. The new RFQ Total Five-Year cost of \$2,264,169, net HST included, represents an increase of 73%.

The RFQ was estimated in the Approved 2022/2023 Operating Budget at \$1,762,433, net HST included, for a five-year term. The variance between the estimated and actual cost is \$100,347 annually. This amounts to an additional \$58,536 cost for the current fiscal year (prorated from September 1, 2022 to March 31, 2023). Business Units will work to find efficiencies in year to offset the increased cost. This will contribute to budget pressures in future fiscal years.

A standing offer agreement will be set up to accommodate on-call as required services.

RISK CONSIDERATION

There are no significant risks associated with the recommendations in this report. The risks considered rate is low.

ENVIRONMENTAL IMPLICATIONS

The award of this RFQ allows for the continued adherence to By-Law S-600.

SOCIAL VALUE

The RFQ is subject to the Living Wage requirements described in Section 8 of the Halifax Regional Municipality's Supplier Code of Conduct.

Vendors were asked to complete and submit a social value questionnaire as part of the evaluated criteria outlined in the solicitation document. The social value questionnaire accounted for 10% of the total bid score.

The questionnaire included questions on:

- Inclusive employment practices
- Workforce development
- Supplier diversity
- Community benefits; and
- Environmental benefits.

Bids were evaluated using a scorecard process including evaluation of Social Value (10%) and Service Costs (90%).

ALTERNATIVES

Halifax Regional Council may choose not to award this contract however this work is required to ensure clean and safe facilities.

ATTACHMENTS

No attachments.

A copy of this report can be obtained online at halifax.ca or by contacting the Office of the Municipal Clerk at 902.490.4210

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